TAO HOMEOWNERS ASSOCIATION

RULES AND REGULATIONS – PHASE ONE --

TITLE ONE. GENERAL PROVISIONS

Chapter One. Definitions and Concepts:

Article One. For purposes of the provisions of these Rules and Regulations, the following are the definitions:

I. **Common Areas:** The areas forming TAO Primera Etapa (Phase One) which are owned by all the Homeowners proportionally and by undivided interest, and that according to their use and the provision of these Rules and Regulations, they may be used or enjoyed by all Homeowners. The use and description of these areas are described in the Incorporation Deed.

II. **Private Areas:** The living areas of every unit or individual and exclusive ownership area of TAO Primera Etapa, according to the Incorporation Deed.

III. **General Assembly:** The highest entity of TAO Primera Etapa and is formed by all the Homeowners of TAO Primera Etapa.

IV. **Administrator:** The individual or corporation in charge of the administration of TAO Primera Etapa, having the rights and obligations of the administrator. The Administrator may hire the personnel necessary for the administration.

V. **Civil Code:** The Civil Code for the State of Quintana Roo, Mexico.

VI. **Surveillance Committee:** Entity in charge of supervising the fulfillment of all the provisions contained in these Rules and Regulations and the Condominium Law, also identified as Board of Directors for purposes of these Rules and Regulations.

VII. **Master Condominium:** The Gran Bahia Principe Golf Camp and Resort master Condominium Regime, to which TAO Primera Etapa belongs.

VIII. **Homeowner:** individual or corporation who, as an owner or Bank Trust beneficiary, is in possession of one or more Private Areas, or who had entered into a purchase agreement by virtue of which, if complied whit a certain term, becomes the owner or trust beneficiary of one or more said Private Areas.

IX. **Special Assessments:** The amounts agreed by the Homeowners General Assembly, to be paid by all the Homeowners in order to make any payment not established in the annual budget, in the manner determined and resolved by the General Assembly.

X. **Regular Dues:** The amounts determined by the Ordinary General Assembly according to the approved annual budget, which shall be paid by all of the Homeowners in order to cover the administration and maintenance expenses of the Common Areas. Said dues

shall be paid in equal shares among the Homeowners of the Private Areas, in the manner determined and resolved by the General Assembly. In no event shall parking and storage areas be considered as Private Areas with obligation of dues payment.

XI. **Condominium Dues:** The money contributions to be paid by the Homeowners of the Condominium, to be determined and informed about according to the provisions of the Condominium rules and regulations

XII. **Social Constitution:** Deed under which the Condominium Regime of TAO Primera Etapa was established.

XIII. **Condominium Law:** The Condominium Regime Law of Quintana Roo state.

XIV. **Occupants:** All persons that, not being Homeowners, occupy by any legal title any Private Area.

XV. **Other Regulations:** Specific regulations issued to rule the operation of specific areas, including but not limited to the Master Condominium rules and regulations, Gran Bahia Principe Hotel operational regulations and the architectural rules and regulations. In all events, the Master Condominium Regulations shall prevail when controversies arise.

XVI. **Participation:** Undivided interest representing each Private Area, except for voting purposes in a General Assembly, which shall be computed at one vote per Private Area, without including storage and parking as Private Areas with voting rights. For the event of co-ownership of a Private Area, the co-owners of said Private Area shall only have one vote. Delinquent Homeowners shall have the right to be heard, but not to vote in a General Assembly.

XVII. **Lot:** The land, which meters, boundaries and other details, are established in the Incorporation Deed upon which TAO Primera Etapa is built, and governed by the condominium regime referred to in the Incorporation Deed.

XVIII. **Rules and Regulations:** These Rules and Regulations that are made according to the provisions of the Civil Code and the Condominium Law, and are part of the Incorporation Deed, which shall govern TAO Primera Etapa.

XIX. **Developer:** Condo Hotel GBP, S.A de C.V

XX. **Lot num. 1:** The lot on which the residential complex is located.

XXI. **Visitors:** Suppliers, professionals, contractors, subcontractors and employees of the Homeowners and Occupants, as well as any other individuals or corporations who, without being Homeowners or Occupants, due to any reasons enter TAO Primera Etapa.

XXII. **Authorized Guests:** Relatives and guests of the Homeowners and Occupants entitled to use the Common Areas by expressed permission. The authorized guests are entitled

to use the common areas and facilities of TAO Primera Etapa under the responsibility of the homeowner or occupants who invited them.

XXIII. **Other Definitions.** (i) In these Rules and Regulations they may be determined Other Definitions, which shall have the meaning so granted; (ii) the definitions established may be used either in singular or plural,

Chapter Two. Regulating Provisions

Article Two. Every Homeowner, Occupant, Authorized Guest and Visitor of TAO Primera Etapa, as well as the staff of the administrator, is bound to abide by these Rules and Regulations, the other regulations, the resolutions of the General Assembly, the rules issued by the Administrator, the Civil Code of Quintana Roo, the Condominium Law and any other applicable provisions.

Article Three. Only through the vote of 85% of the entirety of the Homeowners reunited in a General Assembly, may they be modified:

a) The provisions of the Incorporation Deed, except for the Rules and Regulations and Other Regulations (excluding the rules and regulations of the Master Condominium and the architectural rules), in such case, the provisions of Article Four below shall be observed.

b) The particular facilities of the Private Areas when they may affect the structure of TAO Primera Etapa or its security. The purpose and use of TAO Primera Etapa or its Common Areas.

Article Four. In order to modify these Rules and Regulations and the Other Regulations (except for the Rules and Regulations of the Master Condominium and the architectural rules) it is required 75% of the entirety of the Homeowners, in such sense, reunited in a General Assembly.

Chapter Three. Private and Common Property:

Article Five. For purposes of these Rules and Regulations, the property of the Condominium is divided into:

a) Private Areas.
b) Common Areas.
c) Common Areas of Exclusive Use

The description, location, surface, meters and boundaries, use and other characteristics of the property described before, are contained in the Incorporation Deed.

Article Six. The Homeowners may freely use the Private Areas, with the limitations imposed by the Condominium Law and any other applicable laws, the Incorporation deed, these Rules and Regulations and the Other Regulations.

Article Seven. Common Areas, such as ducts and installations, structure walls and part of the façade cross through the living area of every Private Area.

Article Eight. The use of all the Private Areas shall be of dwellings, except for the parking and storage areas, which uses are self explanatory, and no change of use may be made under any circumstance, either a modification, attachment or similar, without the prior consent required according to the Rules and Regulations and the Other Regulations, but always within the limits of the official authorizations.

Article Nine. Every Homeowner has all rights of use to the Common Areas, which are proportionally related with the value of his Private Area, which also forms part of the total value of TAO Primera Etapa.

Article Ten. Each Private Area is related with a percentage of participation as stated by the Civil Code of Quintana Roo, the Condominium Law and all applicable legal provisions.

Article Eleven. The Common Areas are those established in the Incorporation Deed, as well as those that, due to their nature, kind and use, correspond but are not limited to, the following list:

I. The land, foundation, building structure, columns, roofs and structure walls, as well as the ducts of a number of utilities, either horizontal or vertical.
II. The façade formed by the sliding doors, glasses and perimeter walls.
III. On the roof area the outdoor and indoor areas, access doors, gas tanks, panels and controls, signal lights, lightning rods.
IV. All electric, hydraulic, sanitary, security lights, fire prevention, telephone and security utilities, as well as the installations located in the ducts that cross along all the stories including the interiors of the Private Areas.
V. All the equipment servicing TAO Primera Etapa: the sub-station (if any), emergency generator, water pump, fire prevention equipment, security, telephone and switch board, doors, air condition equipment, controls and electric panels.
VI. Stairs, traffic areas, access ramps/vehicle entrances, water tanks.
VII. Reception area and main lobbies, areas that move through these and any other floor, bathrooms.
VIII. Equipment rooms in general, servicing TAO Primera Etapa.
IX. Maintenance and service facilities, bathrooms, room for the fire control equipment, garbage containers and maintenance building.
X. All furniture, fixtures and equipment currently acquired or to be acquired charged to the common fund for administration and maintenance.
XI. In general, all the areas, rooms, facilities, equipment, furniture, fixtures and any other goods upon which no Homeowners may invoke an exclusive ownership based on a purchase title.

Article Twelve. Common areas of exclusive use are established in the Incorporation deed, including but not limited to, the following:

I. Landscaped areas surrounding the Units
II. The roads and walkways located within or outside the Units.
III. In general, all the utilities used only by the Homeowners of all Units.

These areas are of exclusive use by the Homeowners.

TITLE TWO. RIGHTS AND OBLIGATIONS

Chapter One. Rights:

Article Thirteen. Every Homeowner shall be the exclusive owner of his corresponding Private Area and the specific installations corresponding to it having an individual right on the same with the limitations, rights and obligations of the Condominium Law, the Incorporation Deed, these Rules and Regulations, the Civil Code of Quintana Roo, the Master Condominium rules, the Hotel operation rules of Gran Bahia Principe Hotel, the architectural rules and any other legal provisions imposed to it.

The Homeowners appointed as Bank Trust beneficiaries of a Mexican Real Estate Bank Trust agreement shall be the holders of the rights and obligations established in the trust agreement and with the limitations imposed by said agreement and the corresponding applicable law.

The Occupants shall have the preferential rights granted by the Condominium Law.

Article Fourteen. Every Homeowner shall be entitled to use, enjoy, dispose of, sell, mortgage, lease or lien in any way his Private Area, or the rights of which he is the holder, in the understanding it does not interfere with the agreements or legal contracts pacted with Babia Principe Group, the Master Condominium rules, the Hotel operation rules of Gran Bahia Principe Hotel and any other applicable disposition, in the understanding that, any action executed on the same, the rights on the Common Areas corresponding to it shall be included.

Article Fifteen. Every homeowner may use the Common Areas and enjoy the services and general facilities, according to the provisions of these Rules and Regulations and the other Regulations, the Master condominium rules and the Hotel operation rules of Gran Bahia Principe Hotel and any other disposition applicable, without marking or restricting oppressive the service to the other Homeowners excluding what is pacted in the present text particularly in what it refers to the performance of social events or different to the use to exclusively residential. In that same order it is strictly prohibited to build any kind of construction on said Common Areas. More specifically any construction that may jeopardize the security, stability, conservation and/or that affects the comfort or image of TAO Primera Etapa; those who prevent temporarily or permanently the use of a common part or service, even if it affects only one Homeowner, as well those who lower any unit would be strictly prohibited, except if the Homeowner takes all necessary measures to not cause the inconveniences established above. All the Homeowners will be restricted and obliged to respect and comply strictly the established guidelines on the Architecture and Security Board Regulations. This document will be vinculating for each Homeowner of a condominal unit.

Article Sixteen. Every Homeowner will be able use his Private Area in an orderly fashion, peacefully and according to its standard use established by Gran Bahia Principe Group, the Master Condominium rules and Hotel operation rules of Gran Bahia Principe Hotel and any other disposition appliable; meaning, it can only be used for specifically the authorized purposes, according to moral and good manners. The Homeowner is obligated to not disturb or affect the Homeowners peace, Occupants or Visitors, and not to carry out acts that may jeopardize the stability, security, sanity, comfort, prestige or image of TAO Primera Etapa and Bahia Principe Group including its hotels and adjacent facilities, as well as not to incur in omissions that might cause similar results.

When in doubt, the provisions of the Incorporation Deed, the legal provisions of these Rules and Regulations and Other Regulations shall be observed.

For such purposes, both the Homeowner and the Occupants shall accept and shall be bound from the time they become either one, to accept and pay the penalties determined for such purpose by the General Assembly or the Administrator according to the seriousness of the breaching.

Article Seventeen. The right of every Homeowner on the Common Areas has been determined in the Incorporation Deed.

Article Eighteen. The co-ownership rights on the Common Areas are inseparable from the Private Area; therefore, the same may only be sold, affected with a lien, or seized by third parties along with the ownership right of the corresponding Private Area may be subject to such actions with the Common Areas corresponding to it.

Article Nineteen. The lease or use by any title of a Private Area shall be per unit. Due to the above, the units may not be subdivided for a bigger number of leases or users.

The Common Areas shall not be leased, granted their use by any title, or sold as a separate and independent part from the Private Areas.

Chapter Two. Obligations:

Article Twenty. The obligations of every Homeowner and Occupant are:

a) To allow the maintenance staff of TAO Primera Etapa the access to his Private Area, whenever necessary for repairs or maintenance of the facilities or common areas. The staff who is in charge of this jobs will be obligated to leave the material which was removed in the same condition in which it was found before the repairs, always observing the provisions of these Rules and Regulations and the Other Regulations.

I. The expenses caused by such repair, including the placement, repair and /or replacement, shall be provisionally part of the common expenses of TAO Primera Etapa, and the Administrator shall prepare the corresponding bill on the total of expenses of the work, within a term not exceeding seven days, and if applicable, shall charge it to the responsible party who caused the damage.

II. To abide by the provisions of the Other Regulations.
III. To allow the Administrator the entrance to his Private Area, or the person so appointed in order to verify the compliance with the rules contained in these Rules and Regulations and the Other Regulations.
IV. Property owners will be obliged to grant to the Administrator with a complete set of keys including but not limited to the main entrance key.

b) To observe the instructions made in writing by the Administrator, with legal grounds.

c) To not post advertising signs in the exterior facades of TAO Primera Etapa, except by the express authorization of the Board of Directors and in coordination with the Master Condominium.

d) Any other obligations imposed by the Master Condominium, the Condominium Law and other laws.

e) In case of hurricanes or fire the Homeowner should guide himself by the legal rules and operational criteria impose by the Administrator, these rules, the Master Condominium rules, the Hotel operation rules of Gran Bahia Principe Hotel and other appliable laws.

f) The Administrator of the units, reserves the rights of admission for the Homeowners guests in case these do not follow the rules and politics of good use that are here described.

g) The Homeowners that will like to use the all-inclusive service of the Hotels belonging to the Bahia Principe Group must pay the corresponding fee, in the same manner the spa services.

h) The Homeowners can use the electric or gas grids in the terrace units only if the unit counts with the patio or garden area. The carbon grills can only be use in the common areas specifically designed for these matters, which is determined by the Administrator or the General Assembly.

i) The Homeowners can smoke with in their units (including the terrace) as long as they do not go against the actual legal dispositions. The homeowners will not be able to smoke inside of any installations of common use.

j) The Homeowners, occupants and guests can not reserve any kind of furniture of common use for extended periods, by putting personal items on the furniture, leaving the areas to use them after words. Any element of furniture of common used by the Homeowner, occupant or guests for more than one hour will be considered not reserved and abandoned, and can be used by an other Homeowner, occupant or guest.

Article Twenty One. To refrain from every act, even inside the Homeowner's property, that hinders or makes less effective its operation, and bound to maintain in a proper conservation and operation status the services and installations owned, and not to use the Common Areas in a way different from the ones established in these Rules and Regulations.

Article Twenty Two. The Administrator shall not be responsible for the breaching and damages caused by the homeowners, the Occupants and Visitors.

Consequently, the Administrator shall not be liable for paying for the damages caused, and if applicable, the homeowners or occupants will be subject to cover the conventional penalties

and shall be fined according to these Rules and Regulations and the Other Regulations due to the breaching incurred as stated above.

Every Homeowner shall assume said responsibility and benefit upon the acquisition of the Private Area and shall ratify it when leasing or granting the use of the same.

Article twenty Three. The Homeowners may register their signatures in the office of the Administrator for the information and identification of any authorization made,

Article Twenty Four. The Homeowners are allowed to have one pet as maximum with good behavior in their private area. The Homeowner grants the faculty to the Administrator to exclude any pets of the complex in case they are considered as an inconvenience or that it dangers the integrity of the other Homeowners, Occupants or Guests, as it is established in the administrative rules for such effect and for lack of them, as it may be determine by the Administrator leaving registers of the circumstances in each case. Referring to common areas, pets presence will only be allowed in the authorized places specified by the Administrator with exception of the pets who assist people with medical conditions. Each Homeowner shall be responsible to remove his pet's feces with the finality to preserve the common area hygiene.

Article Twenty Five. It is prohibited to use hallways, ramps, stairs, elevators, roofs and any other Common Areas of a specific use, for purposes different from the ones they were built for, such as having meetings, biking, skating, disturbing, committing acts of violence or any other activity not corresponding to the use of every Common Area.

Article Twenty Six. It is prohibited to place in the Common Areas, in a temporary or permanent way, plants or any other ornamental elements not previously authorized by the Administrator.

Article Twenty Seven. It is prohibited to place in the facades, walls or any other place, signs or decorations that, per the criteria of the Administrator or the General Assembly, do not match with the indoor and /or outdoor decorations of TAO Primera Etapa. In consequence it will be specifically prohibited to install color shades. Shades will need to be in light, with or neutral colors. It is not allowed to hang clothes or towels in the terraces.

Article Twenty-Eight. The following is prohibited in the Private or Common Areas:

1. Excessive noise.
2. Yelling or singing obscene expressions or cursing.
3. Speakers or acoustic devices causing annoying noises.
4. Any type of sound equipment or amplifier causing annoying noises.
5. The use of radio, TV, or any other electronic device with a loud volume.
6. Noise of vehicles or motorcycles with a damaged or open muffler.
7. To disturb the peace due to intoxication caused by substances inhaled or ingested.
8. Any other annoying noise disturbing the peace at TAO Primera Etapa.

Article Twenty Nine. Even when a Homeowner waives his rights or refuses to use certain Common Areas, he shall be bound to the obligations derived from the Incorporation Deed, these Rules and Regulations, the Other Regulations, the Civil Code of Quintana Roo, the Condominium Law and any applicable legal provisions.

Chapter Three. Limitations:

Article Thirty. The use and purposes of the Common Areas are fixed and shall only be modified by the General Assembly meeting validly, making such resolution through the vote of at least 75% of the Homeowners.

Article Thirty-One. The Rooftops shall not be entitled to more rights than the rest of the private areas, therefore, the homeowners shall not be entitled to build more floors, nor to make any other improvements on their rooftops.

The Homeowners who have terraces in their units shall not be permitted to modify them or attach any construction to the same, either provisional or permanent, except for the authorization of the General Assembly and prior approval of the Condominium.

Article Thirty-Two. In no event shall an Occupant, by virtue of his agreement, be the representative of a Homeowner. In all cases, a notzrized document granting such right shall be necessary.

Article Thirty Three. The garbage produced in every Private Area shall be packed in tied plastic bags of an appropriate thickness and deposited in the containers during the hours established for such purposes within TAO Primera Etapa.

The administrator shall establish the hours for garbage disposal.

Bulky garbage or boxes shall be compacted and tied, and bottles or glass placed in carton boxes and sealed.

No debris or construction residues shall be permitted in the garbage containers and the Homeowner shall hire a hauling service to dispose of such debris or residue.

Article Thirty Four. Any hiring of communication, radio or TV services intended by the Homeowners shall require the written approval of the Administrator, when the use of the ducts, channels or other Common Areas is intended.

Any conflict among the Homeowners due to noises and/or interference due to the systems installed shall suffice to deny the use of the system, even when initially they had been approved.

Article Thirty Five. The Administrator or the person appointed by the latter shall regulate the reception and distribution of newspapers and any other mail. In the event of subscriptions to newspapers or magazines, the Homeowner or Occupant shall deliver to the Administrator a copy of his subscriptions.

Article Thirty-Six. The administrator shall establish the form, days and hours for furniture moving, and the most active days and hours shall be avoided, trying it cause the least inconvenience to the other Homeowner or Occupants, and shall inform them about the term within which the notice shall be sent prior to such activity.

Article Thirty Seven. It is the obligation of the Homeowners, Occupants, Authorized Guests and Visitors to treat the staff of the Administrator politely and kindly, regardless of their position. Under no circumstances are the Homeowners, Occupants, Authorized Guests and Visitors

permitted to treat any of the workers with disrespect. In the event a Homeowner an Occupant, an Authroized Guest, or a Visitor consider that reprimand is necessary, the Administrator shall be notified first refraining the offended from giving instructions to the staff, since any request or remark shall be made through the Administrator.

Chapter Four. Funds, Expenses and Tax Obligations.

Article Thirty Eight. In accordance to the Condominium law, all homeowners will be obligated to pay regular and special Condominium fees, these fees will be covered by each one of the Homeowners.

The regular fees must include the contributions to pay the Condominium fees. Without affecting the provisions below, the Regular Fees shall be increased immediately once the Condominium fees are increased.

Whenever emergency repair expenses not budgeted arise due to repairs of equipment and facilities corresponding to any of the common areas, the Board of Directors may levy a special assessment to be charged only to the homeowners, regardless of the specific area which requires such repairs. For purposes of this paragraph, such emergency expenses established by the Board of Directions may not be over than $20,000.00 US dollars or its equivalent in Mexican Pesos at the exchange rate of the date of payment, and such expenses must be related to the Homeowners or authorized guests actual security, or to the constructions integrity or Condominium equipment.

The Administrator shall be responsible of collecting the regular and special fees.

Article Thirty Nine. The fund used for maintenance and administration expenses shall be formed with an amount equivalent to two months of Regular Fees according to the first budget of maintenance and administration expenses so approved; said amount is mandatory to be paid by the homeowners,

Article Forty. The Reserve Fund shall also be formed with an amount equivalent of two months of Regular Fees according to the first budget of maintenance and administration expenses so approved. Said amount is mandatory to be paid by the homeowners and any balance shall be invested in investment values of minimum risk, and shall be authorized by the Administrator and the Board of Directors. This provision shall also be applied for the common and administration expenses fund.

Article Forty-One. The amount of each of the funds may be increased by the General Assembly, according to the proposals submitted by the Administrator.

The General Assembly shall be informed about the annual expense budget. This budget, with a detailed list of the items forming it and the elements and criteria taken to quantify each of the items, shall be delivered to all the Homeowners in a General Assembly.

This budget shall be valid from January 1 to December 31 of the same year, except for the first budget, which shall be adjusted to the months left for the end of the year. Consequently the Ordinary General Assembly of the Homeowners will be informed of the same, it must take place in December of each year, in which the resolution will be set.

Article Forty-Two. The Developer shall not pay the reserve fund, once the Developer conveys title or possession to third parties.

These funds shall be increased, if necessary, at the General Assemblies discretion, by means of the specific contributions established for said purpose.

Article Forty Three. The annual amount for expenses established in the budget shall be split in twelve installments which shall be prorated among the number of Private Units as resolved by a General Assembly, which, in addition to the provisions of Article Thirty Nine, is part of the maintenance and administration fund. In no event shall the storage and parking areas be considered as Private Units with obligation of dues payment.

The Regular Dues and Special Assessments established in foreign currency may be paid in Mexican pesos according to the provisions of Article Eight of the Currency Law of the United States of Mexico.

The form of payment of Regular Dues shall be determined by a General Assembly.

Article Forty Four. The lack of timely payment of the Dues, the Special Assessments, the Reserve Fund and the maintenance and administration fund that the General Assembly approves for the expenses of the Condominium shall cause penalties which will be computed on a daily basis, starting on the first day of the subsequent month and until payment is made, applying the equilibrium Interbank Interest Rate times three (3) of the unpaid dues. Interests shall be computed in Mexican pesos, converting the dues from US dollars into pesos on the first working day of the month following the due date, applying the exchange rate published by the bank of Mexico in the Federal Official Gazette. Also, any delinquent Homeowner shall be responsible for any legal and court expenses incurred by the Condominium.

Article Forty Five. The demand of payment of dues late charge and conventional penalties owed by the delinquent Homeowner will be considered as an action ready for execution, in terms of the Condominium Law.

Article Forty Six. For the simple fact of acquiring a private unit and the obligation acquired by the Homeowner in the payment of the maintenance fee and annexes, the homeowner will not be relived of any responsibility or expense as a result of a negligence activity or act.

Article Forty Seven. The Homeowners who waive or assign their rights or waive the use of certain goods, services or Common Areas, nonetheless, shall continue being subject to the obligations derived from the Condominium Law, the Incorporation Deed, these Rules and Regulations and the Other Regulations.

Article Forty Eight. The common expenses charged to the Homeowners are:

1. Taxes, fees and contributions, water service and any other mandatory expense, electricity, gas and any other expenses caused by the Common Areas.
2. The acts of conservation and maintenance of any nature made in the Common Areas, including but not limited to the following: salaries, benefits and bonuses of the Administrator staff, the security staff servicing TAO Primera Etapa, employers dues, and any other expenses derived from the contractual relationship with the workers employed

by TAO Primera Etapa, the fees of independent workers, corporations or professionals involved in the affairs of the same and the fees of the administrator.

3. New construction work approved by the General Assembly.
4. The expenses caused as a consequence of the valid resolution made in a General Assembly regarding affairs of their common interest.
5. Reconstruction expenses, when partial or due to ancientness of TAO Primera Etapa, according to the provisions of the Condominium Law, these Rules and Regulations and Other Regulations.
6. Payment of the Condominium regular dues and special assessments.

The special common expenses are the ones generated by the use and services provided by the Common Areas of exclusive use, which have been listed in Article Twelve of these Rules and Regulations; therefore, the Homeowners shall pay maintenance expenses generated by the use of said areas.

Article Forty Nine. The Common Expenses, and in general, all the works necessary for the operation, maintenance and conservation of TAO Primera Etapa shall be carried out by the Administrator, according to the budget previously approved by the General Assembly. In the event the amount budgeted is not sufficient; the administrator shall call for a General Assembly in order for the latter to agree to the applicable resolutions.

Article Fifty. The homeowners shall take care of paying any and all taxes, rights, contributions, electricity, gas and any other expenses incurred by their Units.

Article Fifty One. When, due to any reason, individual payment receipts cannot be issued by the authorities receiving such payments or due to any other services to be paid by TAO Primera Etapa, said expenses shall be charged to the common fund for administration and maintenance.

Article Fifty two. The following shall be paid and charged to the common fund: (i) the Condominium regular dues and special assessments, and (ii) the amount of the insurance premiums hired by the Administrator to protect the Condominium against the damages the General Assembly considers necessary.

The policies of said insurance shall contain the waiver of the insurer to subrogate the rights of the insured party, therefore, the insurer shall not be entitled to claim any responsibilities to third parties due to acts or omissions caused by the insurance payment.

TITLE THREE. GOVERNANCE AUTHORITIES

Chapter One. The General Assembly:

Article Fifty Three. The General Assembly shall have the powers established in these Rules and Regulations and the Condominium Law. The resolutions made shall be followed by the Board of Directors, the Administrator, the Homeowners, Occupants and Visitors of TAO Primera Etapa.

Article Fifty Four. The general Assembly shall be held at least twice a year and when urgent affairs arise to be discussed by the Homeowners.

The participation in the General Assembly shall be ruled by the provisions established for said purpose in the Incorporation Deed, these Rules and Regulations and the Condominium Law.

Article Fifty Five. The calls for General Assemblies shall contain the following:

I. Agenda of the Assembly
II. The statement whether it is a General or Extraordinary Assembly.
III. Place within TAO Primera Etapa where the assembly shall take place.
IV. Date and place.
V. The statement if it is a first or subsequent call.
VI. The signature of the Administrator, or otherwise, of the majority of the members of the Board of Directors.

The Administrator or the Homeowners shall be notified by the General Assembly about the announcements with at least 30 days of anticipation.

Article Fifty Six. General Assemblies may be held without a prior call, provided all the interested parties are represented in the assembly to be held.

Article Fifty Seven. Except for the events in which, through the Incorporation Deed, these Rules and Regulations or the Condominium Law expressly determine otherwise, the corresponding assembly shall be considered as legally established by virtue of the first call with the attendance of the homeowners representing 90% of the total of TAO Primera Etapa, 51% in a second call, and in a third call, by any or non of the Homeowners. Except for the contrary provisions of these Rules and Regulations, the resolutions made by corresponding assembly shall be made by the majority of votes of the attendees.

Article Fifty Eight. For resolutions that require a special majority or unanimous consent, the quorum of the first or subsequent calls shall always be necessary in order to make such agreement.

Article Fifty Nine. The Homeowners may be represented in a General Assembly through a proxy letter. No member of the Board of Directors shall act as a proxy.

Article Sixty. In the event of co-ownership of a Private Area, the co-owners shall appoint a common representative who shall represent their interests before the Condominium.

Article Sixty One. Voting shall be personal, nominal and direct and the representation is allowed in terms of the provisions stated in Article 59 and 60.

Article Sixty Two. Only for the events referred to in this article, a special majority which is established below is required in order for the General or Extraordinary Assembly to be able to adopt valid resolutions, unless the Condominium Law imperatively provided the contrary:

1. 85% approval of the Homeowners' votes shall be required to:
Modify the Incorporation Deed, subject to the approval of the Master Condominium.

2. 75% approval of the Homeowners' votes shall be required to:

   a) Resolve regarding any reconstruction or demolition or subdivision of the land and the common areas left, or if applicable, the sale for the event of destruction, collapse or ancientness.
   b) For any other cases in which, according to Incorporation Deed, these Rules and Regulations, Other Regulations or the Condominium Law expressly require a special majority, the related provisions shall be observed.
   c) Modify these Rules and Regulations and Other Regulations, and if applicable, subject to the approval of the Master Condominium, in the cases where the latter is involved.
   d) Approve the performance of general work and improvements to be made per request of the homeowners, including maintenance or upkeep of TAO Primera Etapa, subject if applicable, to the approval of the Master Condominium, where the latter is involved.

Article Sixty Three. The General Assembly shall resolve the following without affecting any other items included in the call or the Condominium Law:

1. To review and issue a resolution regarding the status of the annual statements submitted by the Administrator, and the opinion of the Board of Directors on the same.

2. To discuss, and if applicable, approve the budget for expenses of the following year, which shall include the amounts for the funds for administration and maintenance expenses as well as a reserve fund for the acquisition and replacement of tools, machinery and equipment of TAO Primera Etapa, payment dates, late charges and the like, as well as payments of the Condominium Dues.

3. Approval of the Regular Dues and Special Assessments to be paid by the Homeowners to cover the budget and to form the funds stated above and the Dues Special Fund, as well as to cover any other expenses and responsibilities resulting to be charged to the same.

4. Appointment of the corresponding members of the Board of Director, according to these Rules and Regulations.

5. To file the applicable actions before the corresponding authorities, when a Homeowner, Occupant or Visitor breaches the Condominium Law, these Rules and Regulations, Other Regulations, the Incorporation Deed and any other special provisions; this faculty may be delegated to the Administrator.

6. To adopt the appropriate measures regarding the affairs of common interest not included within the duties imposed to the Administrator.

7. To execute the agreements considered necessary for the administration of the condominium through the Board of Directors.

8. To appoint and remove the Administrator.

9. Any other duties established in the Condominium Law, these Rules and Regulations, Other Regulations, the Incorporation Deed, the Civil Code of Quintana Roo and the applicable legal provisions.

Article Sixty Four. The General Assembly shall have the power adopted by the General Assembly, or the corresponding assembly, in terms of the Condominium Law, these Rules and Regulations and any other applicable provisions, are binding on each and all of the Homeowners, including the absent or dissident ones.

Article Sixty Five. The legal resolutions adopted by the General Assembly or the corresponding Assembly, in terms of the Condominium law, these norms and rules and any other applicable dispositions are vinculated to each and everyone of the Homeowners, including the absents or opposing.

CHAPTER TWO. The Board of Directors

Article Sixty Six. The Board of Directors is a permanent entity, formed by one President, one Secretary and two members that will integrate the Surveillance Committee, if applicable. There may be more than one alternate for each member, simply by standing the substitution order. The members of the Board of Directors shall vote to freely appoint one president and one secretary, and the secretary shall preside in the absence of the president. The substitutes shall substitute only the member they are entitled to substitute, as determined by the General Assembly. The term for the office by each elected member will be undefined until the assembly elects a new member for the board of directors.

Article Sixty Seven. The Board of Directors shall have the following powers, additional to the ones established in the Condominium Law:

1. To oversee compliance with the Incorporation Deed, the Condominium Law, these Rules and Regulations, Other Regulations and the resolutions of the General Assembly.
2. In the event the Administrator does not act, to file any applicable actions before the breaches the Condominium Law, these Rules and Regulations, other Regulations, the Incorporation Deed and any other special provisions.
3. To adopt jointly with the Administrator, the appropriate measures regarding the affairs of common interest not included in these Rules and Regulations.
4. To ensure the Administrator performs its duties strictly abiding by these Rules and Regulations.
5. To be the legal representative of the Homeowners, for purposes of Article 38 of these Regulations, in all the affairs related to the Common Areas of TAO Primera Etapa and shall have powers for acts of administration as well as litigation and collection.

6. To advise the Administrator in the selection, hiring and removal of the outside suppliers of goods and services necessary for security, maintenance and repairs of the Common Areas, and to advise the Administrator regarding the implementation of training systems in order for the personnel to perform their tasks in an efficient and productive day.
7. To demand from the administrator, the timely submittal of the Administrator's accounting statements at the frequency agreed to, at least twice a year, and shall make the remarks considered pertinent and give its opinion before the General Assembly about the annual statements. If applicable, to hire an independent auditor's firm, to be in charge of the maintenance and the administration fund at an amount not greater than the amount established in the budget approved by the General Assembly.
   The hiring of such firm shall be made exclusively by the Board of Directors on behalf and per instructions of the General Assembly, in the understanding that the General Assembly may instruct the Board of Directors to substitute said firm for another firm appointed by the General Assembly.
8. To oversee the creation, conservation and handling of the funds for expenses of administration and maintenance, and the reserve for the acquisition or replacement of tools and machinery, as well as the special funds for dues, administration and maintenance.
9. To inform the General Assembly on the administration activities of TAO Primera Etapa, through a report in writing to be made quarterly.
10. To call for a Homeowners Assembly in terms of the condominium Law, when urgent, or when previously requested to the Administrator and the same had not done so within a term of thirty working days, except for emergencies, in such case the term for the Administration to call for an assembly shall be of five calendar days.
11. In general, to oversee without limit all the operations of the Administrator and those generally involved with TAO Primera Etapa.
12. When necessary, if and not previously done by the General Assembly or the Administrator, to appoint an architect to get a professional opinion regarding the major construction works that might affect in any way the structure operations or good image of TAO Primera Etapa.
13. To assist the Administrator by containing the Homeowners when notification regarding the compliance with their obligations are necessary.
14. To approve the use and duration of Common Areas.
15. In the event the Administrator resigns, to appoint a provisional administrator and within the following five calendar days, to call for a General Assembly in order to appoint a new administrator, the assembly shall take place within thirty calendar days following notice.
16. By the staff of the Administrator, determine the necessary special fees for emergencies as long as the total amount of the fees do not overcome a total of 20,000 USD or its equivalent in Mexican pesos of the date the payment is made. Also by the unanimous consent of the Administrative counsel, a special additional fee without overcoming the amount of 30,000 USD or its equivalent in Mexican pesos of the date the payment is made.

Article Sixty Eight. The board of Directors shall meet whenever summoned in writing by at least two of its members, or according to the provisions of the Condominium Law; the meetings and calls shall be made in terms of said law.

The members of the Board of Directors shall not be liable for any acts or omissions in the performance of their tasks and made in good faith, any expense incurred in their defense shall be paid by the condominium

Chapter Three: The Administrator

Article Sixty Nine. The administration shall be performed by the individual or corporation appointed by the General Assembly.

Article Seventy. Without affecting the provisions of the Condominium Law, the obligations of the Administrator are the following:

1. To maintain, oversee and operate the Common Areas.
2. To carry out all the administration and maintenance acts for the Common Areas.
3. To call for a General Assembly in terms of the Condominium Law, these Rules and Regulations and whenever considered necessary or urgent.
4. To perform all the agreements of the General Assembly and the Board of Directors, unless the General Assembly or the Board of Directors appoints a third party for such purpose.
5. To supervise the collection of the Regular Dues and Special Assessments and the Condominium Dues in general, which among others shall form the funds for administration and maintenance expenses and the reserve fund for the acquisition and replacement of tools and machinery according to the terms and conditions established in these Rules and Regulations and the Condominium Law.
6. To be the legal representative of the Homeowners in all matters related to the Common Areas of TAO Primera Etapa, having powers for litigation and collection and for acts of administration.
7. To keep order in TAO Primera Etapa, according to the provisions of these Rules and Regulations and Other Regulations, and to verify the rules imposed by the Condominium Law are observed.
8. To keep the meeting notes book of the assemblies, duly authorized by the competent authorities.
9. To maintain and keep current the accounting books and their auxiliaries, according to the principles suitable for the Law.
10. To issue and subscribe the corresponding receipts of the money and valuables received.
11. To deposit the amounts received in one or more checking accounts established for compliance of its duties. The checks made from said account or accounts shall be numbered and under no event shall be made “to the bearer”, and each check shall have its corresponding receipt and voucher.
12. To properly record in the accounting books all the amounts received or paid, filing the respective receipts and checkbooks. No payment shall be made without obtaining the corresponding receipt meeting the legal requirements.
13. To verify the good conditions and proper operation of the Common Areas are maintained.

14. To select, hire and remove the personnel at its charge, and to introduce training systems, in order for the personnel to perform their tasks in an efficient and productive way.
15. To submit a quarterly report of its activities to the General Assembly and the Board of Directors or whenever they require it.
16. To abide by these Rules and Regulations, Other Regulations, the Incorporation Deed and the Condominium Law.
17. To represent TAO Primera Etapa with the powers granted by the General Assembly.
18. To oversee and have the homeowners abide by the Rules and Regulations of the Master Condominium, these Rules and Regulations and Other Regulations.
19. Any other obligations and duties imposed by the Condominium Law, these rules and Regulations, the incorporation Deed, the resolutions of the General Assembly and the Board of Directors. For the performance of its duties, the Administrator shall appoint the necessary managers.
20. To pay administration and maintenance fees of TAO Primera Etapa with checks, when the amount is greater or the same as 10 days of salary established by Distrito Federal valid the day of payment.

Article Seventy One. The Administrator shall administrate TAO Primera Etapa for an undetermined period of time, but the managers may be freely removed at any time by the General Assembly.

Article Seventy Two. The administrator, when taking the office, shall prepare a report on the status it is receiving the common areas of TAO Primera Etapa and an inventory of all the equipment and tools of TAO Primera Etapa and the status of the same. Said inventory shall be updated every year and the Administrator shall also inspect the status of the common property of the Condominium and submit a report to the Board of Directors.

Article Seventy Three. By the simple fact of its appointment, the Administrator shall have the powers established in these Rules and Regulations and shall make evident its legal status with the incorporation Deed and these Rules and Regulations. To help ensure proper management, the Administrator shall be provided with an office at TAO Primera Etapa, at no cost.

Chapter Four. Penalties:

Article Seventy Four. In order to enforce the resolutions of the General Assembly, these Rules and Regulations, Other Regulations, the condominium Law and any other applicable legal provisions, the Administrator is empowered to apply, according to the seriousness of the case, the following penalties:

1. Verbal or written recommendation.
2. Verbal or written reprimand.
3. Conventional penalty equivalent to, from one hundred to three thousand days of Mexican Minimum Wage for the state of Quintana Roo.
4. Mandatory sale, if agreed by the General Assembly legally established.
5. Late charges or negligent Homeowners.

For the imposition of these penalties, the nature and seriousness of the fault, and no pre-established order shall be followed.

The following shall be considered as serious faults against TAO Primera Etapa and its Homeowners:

1. To disturb the peace or make excessive noise within the Private Areas, even when caused by music, artisan or industrial works.
2. To obstruct the common areas and traffic areas with any object, or unhealthy or inconvenient substances.
3. To park in other Homeowners' places or to use the spaces reserved for Visitors.
4. To be present in any Common Area under the effects of alcohol or any type of drug.
5. To verbally or physically offend any personnel of the Administrator, or any Homeowner, Occupant, Authorized Guest or Visitor.
6. To damage or destroy any of the Common Areas.
7. To go along the common areas of exclusive use without the user's permission.
8. To drive in the parking areas at a speed higher than permitted.
9. To park in the vehicle main access of TAO Primera Etapa longer than five minutes or to obstruct the entrance or exit of vehicles, either in person at car or an employees car.
10. To use any of the Common Areas of TAO Primera Etapa outside the hours permitted.
11. To damage or use the restricted zones without the proper authorization of the Administration office.
12. Delaying payment of the Regular Dues or Special Assessments approved by the Homeowners Assembly duly established.
13. Any other faults established by the General Assembly, which shall be published in the newsletters of TAO Primera Etapa for their proper compliance, or posted in the common areas in order for the Homeowners to be informed about the same.
14. To use the parking areas for storage or to make vehicle repairs permanently.

Article Seventy Five. Any violation to these norms or rules would be cause enough to suspend the Homeowners rights and to deny him access, without any responsibility form the Administrator or any other Homeowners.

Any security employ of the administration has the responsibility and the authority to make the norms and rules be obeyed, and so to ask any other person to abounded the condominium, do to the violation of these dispositions.

NEGOTIATIONS DONE BY THE ADMINISTRATOR

Article Seventy Six. The negotiations done by the Administrator must always have in account the well being of the Homeowners.

To accomplish these, the Administrator could see through any kind of rent, loan, professional service or any other kind of agreement with the third parties, with or without consideration, about the areas where these would be attended.

The individuals or special corporations that would serve that are suggested by the Administrator should have preference.

Article Seventy Seven. The Administrator through out a warning notice can state a given authorization as concluded, if the professional does not fulfill the previous condition agreed.

Article Seventy Eight. Any kind of income, in its case, that is received by any of the previous points mentioned will turn into part of the legacy of the Administration fund and of the maintenance expenses and shall be used to cover the expenses caused by the condominium according to the Administration and the maintenance budget approved by the General Assembly.

Article Seventy Nine. The storage areas may be used to storage furniture and goods property of the Administrator needed for maintenance and operation of the Condominium.

Article Eighty. The Homeowners, when at the moment of using the established areas in this chapter, must observe the hours of work in these and any other rules established by the Administrator.

TITLE FOUR.

GREEN AREAS

Article Eighty One. The Homeowners are entitled to the joint use of the green areas for walks, and it is strictly prohibited to use them for any other purpose.

Article Eighty Two. Should a homeowner want to carry out a particular activity in the green areas, either social or sporting, a written request shall be forwarded to the Administrator at least 15 days in advance. The Administrator shall be obliged to reply to such request in writing within the following three days, either allowing or denying such authorization and establishing the conditions necessary for the request.

Any party or event which the Homeowner wishes to have must first ask for authorization from the Administrator.

The Administrator will determine the hours in which the pools in common areas can be used.

Article Eighty Three. The Homeowner organizing the social or sporting event referred to in the article above is bound to keep order during the activity, being the direct responsible party for himself and the attendees, for possible damages or damages actually caused.

Article Eighty Four. At this social event, only a predetermined number of guests may be invited, which shall be established in the Other Regulations, or by resolution of the General

Assembly abiding by the provisions so established. In absence of an express provision, the Administrator may determine the appropriate number of guests at its discretion.

Article Eighty Five. The conservation and maintenance works of the green areas shall be performed by the Administrator, and visible signs in the Areas where said works are made shall be posted, and the Homeowners, Occupants, Authorized Guests and Visitors are not allowed to access such places.

TITLE FIVE. DESTRUCTION AND COLLAPSE

Article Eighty Six. In the event TAO Primera Etapa is completely destroyed or in an amount greater than 75% of its value, without considering the value of the land and according to the expert report of the competent authorities or financing institution, in an Extraordinary General Assembly, with a minimum attendance of the simple majority of the total of the Homeowners and a voting of 51% of the total value of TAO Primera Etapa, and the simple majority of the number of Homeowners, the following may be agreed:

a)The reconstruction of the Common Areas, or their sale, according to the provision of the Condominium Law.

b)The total extinction of the Condominium Regime.

If either the reconstruction or the extinction is agreed to, the provisions of the Condominium Law shall be observed.

If the destruction does not reach the indicated percentage the agreement refer to previously will be decided by a special majority of a 75% of the Homeowners.

In any of these cases mentioned in previously articles the agreement is for the reconstruction, the minimum Homeowners is obliged to contribute in the portion that they are required to do so, or to wave their rights. Their rights can be given to the majority if it is agreed in the minorities but it they will be obligated to do so in six months, at the price, or the appraisal value done by a certified appraiser or the financial institution, if by this time it has not been set by the minority.

In case the Condominium is ruined, special majority of 51% of the homeowners can resolved, according to the previous ruling of the corresponding authorities, the reconstruction or demolition and division of the common goods, or in its case the sale, following the preventions of the previous paragraph.

TITLE SIX. COMPLEMENTARY PROVISIONS

Article Eighty Seven. For matters not foreseen in these Rules and Regulations and Other Regulations, the resolutions shall be made according to the Condominium Law and the Incorporation Deed of the Condominium.

Article Eighty Nine. Any disputes arising among the Homeowners or between the Homeowners and the Administrator when applying these Rules and Regulations, the parties shall submit to the competent courts of Cancun, Quintana Roo, Mexico.

Article Ninety. If the provisions of these Rules and Regulations contradict the application of the provisions of the Master Condominium Regime, the provisions of the Master Condominium Regime shall prevail, and the Administrator shall call for an Extraordinary Assembly in order to reach resolution regarding the modification of these Rules and Regulations in order to adjust them to the Master Condominium Regime.

TITLE SEVEN. TRANSITORY ARTICLES

ONE. These Rules and Regulations shall become effective on the date of their approval by the corresponding Homeowners General Assembly.

TWO. For purposes of these Rules and Regulations, the Developer is defined as the company that developed, directly or indirectly, the construction of the Condominium and conveyed for the first time, under any title through which the buyer becomes an owner, the Private Units of the Condominium.

Regarding the obligation of payment of the maintenance and administration funds and the Reserve Funds established in these Rules and Regulations, the Developer shall be exempted of such payment, regarding the first assignment to third parties of all the Private Units described below:

LIST OF THE UNITS OF TAO PRIMERA ETAPA

UNIT	OWNER